

# Connected Wealth Tactical ETF

11 April 2021

**RICHARDSON**

**Wealth**

CONNECTED  
WEALTH

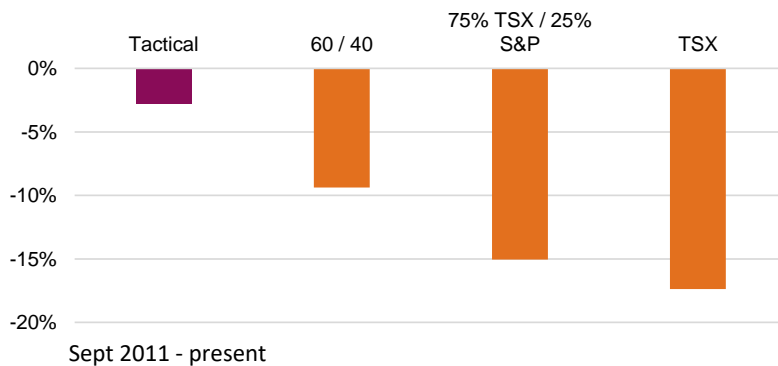
## Objective

Provide long term capital appreciation with lower volatility and correlation to the overall equity market.

## Investment philosophy

Market swings have become larger, more pronounced and faster over the past decade increasing the need for a tactical component for investment portfolios. Connected Wealth Tactical was designed as a side-car strategy to provide this tactical shift to the asset mix. Tactical utilizes a technical/quantitative approach to increase equity exposure in up-trending markets and increase bond exposure in down-trending equity markets. The portfolio can oscillate between 100% equity and 100% bonds while its average mix has been approximately 60% equity and 40% bonds.

## Worst Month



## Characteristics

Asset class	Tactical Balanced
Geographic	North American
Focus	Equity & Bond ETFs
Objective	Risk reducing side-car strategy
Approx. # of holdings	3-8
Turnover	This is a high turnover strategy
Benchmark	40% TSX / 20% S&P 500 / 40% FTSE Dex

## The Manager

Connected Wealth, a service of Richardson Wealth, manages ~\$1 billion in assets across a number of North American equity, bond and ETF strategies.

**Craig Basinger**  
Portfolio Manager

**Chris Kerlow**  
Portfolio Manager

**Derek Benedet**  
Portfolio Manager

**Brett Gustafson**  
Portfolio Analyst

**Performance & Risk**

**Objective:** Diversification and low volatility with some capital appreciation **Benchmark:** 40% TSX + 20% S&P + 40% FTSE TMX Domestic Bond

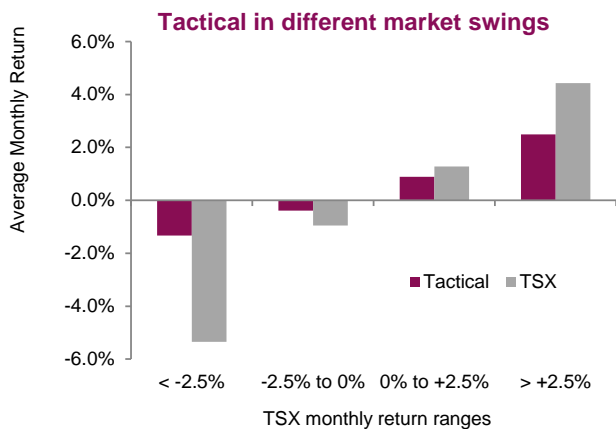
**Available:** Institutional account size only, strategy is also available in Fund & ETF

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2011	Tactical									0.7	1.3	-1.8	-1.2	-1.1
	Benchmark									-3.8	3.8	0.7	-0.3	0.3
2012	Tactical	5.1	1.0	0.8	-1.9	-0.4	-0.5	-1.0	2.5	2.0	0.6	-2.4	0.5	6.1
	Benchmark	2.1	1.1	0.1	-0.5	-2.0	0.9	0.6	1.1	2.1	0.3	-0.2	0.8	6.5
2013	Tactical	2.9	1.9	0.5	-1.3	2.1	-2.1	2.0	0.5	0.4	3.8	2.2	0.9	14.4
	Benchmark	1.7	1.9	0.6	-0.2	1.2	-2.3	1.9	0.3	1.0	3.4	1.1	1.1	12.2
2014	Tactical	2.4	1.8	0.8	0.5	0.1	2.2	1.2	1.4	-0.2	1.2	2.1	0.0	13.4
	Benchmark	1.6	2.5	0.6	1.2	0.7	1.8	1.0	2.0	-1.5	0.0	1.9	0.4	12.6
2015	Tactical	3.7	2.5	-1.0	-0.5	0.9	-1.1	2.8	-2.4	-0.8	0.5	0.0	-0.7	3.7
	Benchmark	3.1	2.3	-0.9	-0.3	0.5	-1.6	1.8	-3.2	-1.8	2.0	0.4	-0.4	1.6
2016	Tactical	-1.1	-1.6	2.9	-0.2	2.4	-2.3	2.8	0.8	0.6	0.8	-0.1	1.6	6.8
	Benchmark	-1.1	-0.4	2.9	0.8	1.9	0.7	2.8	0.3	0.6	-0.1	0.8	0.9	10.6
2017	Tactical	0.5	1.8	0.3	1.7	0.1	-2.3	-1.4	0.7	0.4	3.3	1.0	-0.5	5.5
	Benchmark	0.1	1.7	1.1	1.6	-0.6	-1.6	-1.1	0.9	1.1	2.8	1.1	0.0	7.7
2018	Tactical	0.7	-0.6	-0.4	0.0	1.6	1.7	0.2	1.0	-1.0	-2.3	0.7	-1.7	-0.2
	Benchmark	-0.1	-1.1	-0.2	0.4	2.2	1.3	0.7	0.7	-0.8	-3.8	1.4	-2.8	-2.2
2019	Tactical	3.7	3.2	1.7	3.5	-0.9	0.1	0.7	0.0	-0.3	-0.5	3.0	-0.3	14.7
	Benchmark	5.1	2.2	2.0	2.1	-1.6	2.1	0.6	0.8	0.7	-0.1	2.6	-0.1	16.9
2020	Tactical	2.6	-2.8	-2.6	6.3	0.9	1.3	2.4	2.9	-1.5	-1.8	4.6	1.2	14.4
	Benchmark	2.2	-3.6	-9.4	8.2	2.0	1.8	3.2	1.7	-1.0	-2.1	6.3	1.2	9.4
2021	Tactical	-0.1	1.2	2.1										
	Benchmark	-0.7	1.2	1.6										

	<u>Tactical</u> ETF	<u>Benchmark</u>	<u>Relative</u>	<u>Statistic</u>	<u>Description</u>	<u>Tactical</u> ETF	<u>Benchmark</u>
1-month	2.1%	1.6%	0.6%	Sharpe Ratio	Performance relative to risk (higher is better)	1.21	0.99
3-months	3.3%	2.1%	1.2%	Max Drawdown	Largest decline from peak to trough (less is better)	-5.3%	-12.6%
6-months	7.3%	7.6%	-0.2%	Up Market Capture	% of upside market participation (higher is better)	92%	100%
1-year	21.2%	25.0%	-3.8%	Down Market Capture	% of downside market participation (lower is better)	73%	100%
YTD	3.3%	2.1%	1.2%	Standard Deviation	Volatility (lower is better)	6.1%	7.0%
3-year	10.6%	9.0%	1.6%	Downside Deviation	Volatility of down months (lower is better)	2.9%	6.2%
5-year	8.7%	8.4%	0.3%	Beta	Volatility relative to the benchmark	0.70	1.00
Inception	8.4%	7.9%	0.4%				

**Composition**

**Risk vs Return**



Source: Richardson Wealth

**Holdings**

<u>Model Driven Positions</u>	<u>Focus</u>	<u>Weight</u>
ISHARES CORE S&P/TSX CAPPED	Cdn Equity	0.0%
HORIZONS S&P/TSX 60 INDEX ET	Cdn Equity	51.2%
ISHARES CORE CAN UNIV BOND	Cdn Bond	11.7%
ISHARES CORE S&P 500 INDEX E	US Equity	0.0%
VANGUARD TOTAL STOCK MKT ETF	US Equity	25.3%
VANGUARD SHORT-TERM BOND ETF	US Bond	0.0%
INVESCO QQQ TRUST SERIES 1	US Tech	8.7%
VANGUARD SHORT-TERM BOND ETF	US Bond	0.0%

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